GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1537
ANSWERED ON:21.07.2014
SALE OF DIESEL
Ahir Shri Hansraj Gangaram

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has noticed certain shortcomings in the policy regarding sale of diesel on market price to the wholesale dealers which is being misused by Oil Marketing Companies (OMCs)/industries/ State Governments etc;

(b) whether the Government has received any complaints from various States regarding misuse of sale of diesel on market prices;

(c) if so, the details thereof, State/OMCs-wise along with guidelines/definition of bulk users issued by the Government in this regard; and

(d) the action taken by the Government on such misuse of sale of diesel?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) Yes, Madam. Public Sector Oil Marketing Companies (OMCs) have reported that consequent to implementation of dual pricing for diesel with market rates for bulk direct consumers, State Transport Undertakings (STUs), Industries and some State Government Departments have started drawing their diesel requirement from ROs for their transport/passenger vehicles, generator sets, agriculture and non-agriculture activities in the country.

(b) to (d) : Indian Oil Corporation Limited (IOCL) has received two complaints of diversion of HSD from Retail Outlet to direct customers through CBI. Joint surprise checks were conducted along with Oil Company Officers on few private mining contractors of Northern Coalfields, Sonbhadra, U.P. and the drilling company M/s Focus Energy in Rajasthan. As per the recommendations of CBI, corrective actions have been taken by IOCL to ensure compliance of instructions based on guidelines issued by the Government. Further, one complaint, which was general in nature, was also received by IOCL regarding diversion of HSD by Retail Outlet dealers in Delhi. Two Retail Outlets were inspected by IOCL and no diversion of HSD was substantiated.

Consumers with requirements of fuel for their own consumption who uplift minimum 12000 litres i.e. a truck load supply from bulk supply locations, are defined as bulk consumers.

Petroleum Rules, 2002 provides for filling High Speed Diesel (HSD) in approved container of capacity not exceeding 200 litres provided that no vehicle with its engine running be allowed within 4.5 metres of the container and the dispensing pump.

Government has authorized the OMCs to sell diesel to all consumers taking bulk supplies directly from the installations of the OMCs at the market determined price.

In addition, OMCs have advised their field officers as under :

(i) Not to entertain the bulk consumers approaching to convert their consumer pumps to ROs.

(ii) Vehicles of the STUs coming for fueling to the ROs should be treated at par with other vehicles.

(iii) Fleet cards should not be issued to STUs and non-Fleet customers.

(iv) Lorry bringing the product to the outlet should not be diverted i.e. all sales at the ROs has to be through nozzle only.